

**Exhibit B**

**Space Port Operating Agreement**

## SPACE PORT OPERATING AGREEMENT

This Space Port Operating Agreement (this "Operating Agreement") is entered into, effective as of January 19, 2016 (the "Effective Date"), by and between Pima County, a political subdivision of the State of Arizona ("County") and World View Enterprises, Inc., a Delaware corporation ("World View").

### 1. Background and Purpose.

- 1.1. World View is a near-space exploration company that utilizes proprietary high-altitude balloon technology to lift people and scientific payloads as much as twenty miles above earth for purposes of space tourism, other commercial applications, and scientific research.
- 1.2. County owns a parcel of land, approximately 16.2 acres in size, which is legally described on Exhibit A and depicted on Exhibit B (the "Space Port Parcel"), which is within an area designated by the County as an Aerospace, Defense, and Technology Business and Research Park. The Space Port Parcel is adjacent to a 12 acre parcel (the "Building Parcel"). The parties are, contemporaneously with the approval and execution of this Operating Agreement, entering into an agreement (the "Lease Agreement") leasing the Building Parcel to World View.
- 1.3. The County is agreeing, in the Lease Agreement, to construct certain improvements on the Building Parcel in an accelerated manner (the "Project") in order to enable World View to commence operations on the site as soon as November 2016.
- 1.4. County is also willing to construct, as part of the Project, a publically available launch pad (the "Space Port"), for launching of high-altitude balloons, on the Space Port Parcel, as shown on Exhibit B, to be utilized on a non-exclusive basis by World View in exchange for World View's maintenance and operation of it.
- 1.5. World View is aware of the proximity of the Space Port Parcel to both Tucson International Airport and Davis Monthan Air Force Base, and has determined that it can safely, and in compliance with all FAA and all other applicable governmental laws and regulations, launch its balloons from that location.
- 1.6. World View explored several possible sites for its operations outside of Arizona, but has agreed to locate its expanded operation in Tucson. It would not have agreed to do this without County's willingness to enter into and fulfill its obligations under this Operating Agreement and the Lease Agreement.
- 1.7. The Pima County Board of Supervisors (the "Board") has authority under A.R.S. § 11-254.04 to engage in any "activity that the board of supervisors has found and determined will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of the county," including specifically the "acquisition, improvement, leasing or conveyance of real or personal property." Based on an economic impact study by Applied Economics, commissioned by Sun Corridor, Inc., the Board has determined that World View's operations, and hence this Operating Agreement and the Lease Agreement, will have a significant positive impact on the economic welfare of Pima County's inhabitants.

2. Term. This Operating Agreement will be for a term of 20 years (the "Term") commencing on the Commencement Date as defined in Section 3.4 below. If, however, the Lease Agreement is for any reason terminated prior to the expiration of the Term, this Operating Agreement will also terminate at the same time.
3. Construction of Space Port. County will construct the Space Port on the Space Port Parcel. Unless enlarged as provided in Section 3.2 below, the Space Port will consist of a 700-foot diameter reinforced concrete slab, generally as depicted in the conceptual diagram attached as Exhibit B.
  - 3.1. Maximum Cost., County's total cost for design and construction of the Space Port, including all site-preparation work, permitting, plan review, County's construction-oversight costs, and the cost of any necessary off-site work, cannot exceed \$1,500,000 (the "NTE Amount"), and County has no obligation to expend more than the NTE Amount on design and construction of the Space Port.
  - 3.2. Additional Funding. The County is applying for \$1,000,000 in grant funding from the Arizona Department of Transportation in order to partially reimburse the County for the cost of building the Space Port. World View understands that the Space Port must be operated as a public aviation facility, and it will reasonably assist the County in obtaining the ADOT funding, provided that in no event will that assistance include incurring any out-of-pocket expenses.
  - 3.3. Construction as Part of Project. Design and construction of the Space Port will be done as part of the Project. Section 5 of the Lease Agreement is incorporated into this Operating Agreement by reference.
  - 3.4. Commencement Date. County will notify World View, in writing, thirty (30) days in advance of when County reasonably anticipates that construction of the Space Port will be Substantially Complete (as defined in the Lease) and will notify World View if that date changes. The date that County opens the Space Port for use, with construction Substantially Complete, will be the "Commencement Date." World View may have access to the Space Port as of the date that is fourteen (14) days prior to the anticipated Commencement Date, in order to conduct any pre-operational set-up activities or preparations, provided that it does not interfere with work needed for final completion of the Space Port. Before doing so, World View must furnish County with proof that it has the insurance coverage required by Section 6 below.
4. Operation of Space Port. World View will, during the Term, operate and maintain the Space Port at its own expense as provided below.
  - 4.1. Permitted Uses; Third-Party Users. The Space Port may only be used by World View, and by others with World View's oversight, for launching of high-altitude balloons and associated payloads. World View will make the Space Port available to others for the permitted uses whenever the Space Port is not being actively utilized by World View itself. World View will have sole but commercially reasonable discretion to issue criteria from time to time for the use by third parties of the Space Port, including, without limitation, insurance requirements in excess of those required by this Operating Agreement and criteria related to experience, safety, financial capacity and FAA authorization, and will provide notice of such criteria to County from time to time. World View may also require that any third-party users enter into commercially reasonable

use, license, waiver, indemnification, non-disclosure and similar agreements with World View. World View may, in its sole but commercially reasonable discretion, set restrictions on the time and manner of use, temporarily close the Space Port to all use, and may restrict or limit use as is necessary to comply with local, state and federal law. World View may, in its commercially reasonable discretion, prohibit users who do not meet such criteria or who do not agree to enter into such agreements from using the Space Port.

- 4.2. Fees. World View may charge other users a fee based on a reasonable apportionment of operating costs incurred by World View under this Operating Agreement, including, without limitation, maintenance and repair expenses, insurance expenses, utility expenses and casualty costs. All fees collected for use of the Space Port must be utilized by World View for operation and maintenance of the Space Port. World View will annually report to County the amount of fees collected and how they were expended.
- 4.3. Laws and Regulations. World View will comply in all material respects, and will use commercially reasonable efforts to ensure that other Space Port users comply in all material respects, with all government laws and regulations applicable to use and operation of the Space Port. World View will not commit or allow to be committed any waste or other nuisance on the Space Port. World View must obtain any necessary FAA and Air Traffic Control approvals for its activities on the Space Port, and must use commercially reasonable efforts to ensure that any other user has obtained any such necessary approvals. World View must coordinate the activities on the Space Port with the Tucson Airport Authority.
- 4.4. Hazardous Materials Prohibited; Compliance with Environmental Laws. World View may not cause or knowingly permit any Hazardous Materials to be brought upon, kept, or used in or about the Space Port by World View, its agents, employees, contractors, or invitees, without the prior written consent of County, other than such Hazardous Materials that are necessary or useful to World View's business and will be used, kept, stored and disposed of in a manner that complies with all laws regulating any such materials or substances. World View's operations at the Space Port must comply with all applicable provisions of environmental laws and regulations, including but not limited to the Resource Conservation and Recovery Act (RCRA) (40 U.S.C. 260 et seq. and Arizona Revised Statutes, Title 49, Chapter 4), and the Clean Air Act (42 U.S.C. 7401 et seq. and Arizona Revised Statutes, Title 49, Chapter 3). As used in this Operating Agreement, the term "Hazardous Material" means any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is, or during the Term becomes, regulated under any applicable local, state, or federal law or regulation, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302 and amendments thereto).
- 4.5. Hazardous Materials Indemnification. County represents and warrants to World View that, as of the Commencement Date, and except as may be disclosed in that certain Expanded Phase I Environmental Site Assessment for Raytheon Buffer Zone – Auriga Properties, Prepared by EEC for County Project 309025.11, dated 3/27/2012, it has no actual knowledge of the presence of any Hazardous Materials on, under or about the

Space Port. County will indemnify, defend (by in-house counsel or by other counsel acceptable to World View), and hold World View, and each of World View's directors, officers, employees, agents, and shareholders, harmless, from and against any and all claims, liabilities, penalties, fines, judgements, forfeitures, losses, costs, or expenses (including attorneys' fees, consultant fees, and expert fees) (collectively, "Claims"), arising from or caused in whole or in part, directly or indirectly, (a) by County's breach of its representation in this Section 4.5, and (b) Claims resulting from the presence of Hazardous Material on, under or about the Space Port after the Commencement Date unless resulting from World View's breach and any and all costs of any investigation, repair, remedial planning, cleanup, detoxification, or decontamination of the Space Port (including, without limitation, the soil and ground water on or under the Space Port), that is required by a regulatory authority or court of competent jurisdiction. County may, at its own cost, challenge any such order. County's obligations extend only to any condition that existed in, on, under, about or from the Space Port prior to the Commencement Date (including aggravation of any such condition), of which County had actual knowledge and that it did not disclose as provided in this Paragraph. County's obligations under this Section 4.5 will survive the expiration or termination of this Operating Agreement. "Actual knowledge" of the County, for purposes of this paragraph, means the actual knowledge of the County Administrator, any Deputy County Administrator, or any County department head, and any fact that is readily ascertainable by review of files related to the County's acquisition and use of the Space Port Parcel, which are accessible to those individuals on the Effective Date of this Operating Agreement.

- 4.6. Utilities. World View will pay before delinquent all charges for all utilities used for operation of the Space Port.
- 4.7. Repair and Maintenance. World View will, at its own expense, maintain, repair and, when necessary, replace, every part of the Space Port, and will keep it in good order, condition and repair, reasonable wear and tear excepted, and in a clean, sanitary and safe condition, in accordance with all applicable laws, ordinances and regulations of any governmental authority having jurisdiction.
- 4.8. Damage from Casualty. If any part of the Space Port is damaged or destroyed by any cause whatsoever (other than the negligent or willful acts or omissions of County or of any third-party user of the Space Port), during the Term of this Operating Agreement, World View will, with reasonable promptness, repair and replace the same at its own expense, to at least the condition existing immediately prior to the damage or destruction, and World View's obligations under this Operating Agreement will not terminate; *except that*, (a) if such damage or destruction is due to the County's negligent or willful acts or omissions, World View will have no obligation to repair or replace the Space Port, World View may terminate this Operating Agreement upon sixty (60) days' notice to County and World View will have no obligation to pay any insurance proceeds to County; (b) if World View maintained the insurance required by Section 6 of this Operating Agreement at the time of such destruction and despite World View's commercially reasonable efforts, such insurance proceeds are unavailable or are insufficient to rebuild the Space Port in a manner reasonably acceptable to County and World View, World View may terminate this Operating Agreement upon sixty (60) days' notice to County and World View will, at its sole cost and expense, clean and clear the site of all debris, repair the site and install landscaping so that the Space Port Parcel blends in reasonably well with the

surroundings, and pay all remaining insurance proceeds to the County; and (c) if the Space Port is substantially destroyed by fire or other casualty at any time during the last five (5) years of the Term, then World View may terminate this Operating Agreement by written notice given to County within sixty (60) days after the date of such destruction, and World View will be discharged from responsibility to repair the damage, but World View will, in that event, at World View's sole cost and expense, clean and clear the site of all debris, repair the site and install landscaping so that the Space Port Parcel blends in reasonably well with the surroundings, and pay all remaining insurance proceeds to the County.

5. Inspections by County. County reserves the right to enter the Space Port to inspect its condition, provided that, except in case of emergency, (a) County will give World View at least twenty-four (24) hours advance written notice, (b) County representatives must be accompanied by a representative of World View at all times, and (c) all County representatives and agents entering the Space Port must be citizens of the United States. If World View contracts with the United States and such contracts require certain areas of the Space Port be restricted in entirety or at certain times, World View will promptly notify County of such restrictions and County thereafter agrees to strictly follow such restrictions in accordance with federal law. County will use reasonable efforts to not interrupt World View's business at the Space Port. County may, in the event of an emergency, use any means necessary to open gates or doors in order to obtain entry to the Space Port, without liability to World View except for damage caused by a failure of County to exercise reasonable care for World View's property, subject to federal law.
6. Insurance and Indemnity.
  - 6.1. Indemnity. To the fullest extent permitted by law, World View will defend, indemnify and hold County harmless from and against all claims arising out of or relating (directly or indirectly) to any activities conducted, or conditions existing, on the Space Port during the Term, except to the extent caused by County's negligence or intentional misconduct.
  - 6.2. Liability Insurance Requirements. World View will, at its own expense, obtain and maintain during the Term the insurance coverages listed below, which may be included in the policies that World View is required to carry under the Lease Agreement with respect to the Premises. County may from time to time review and reasonably adjust the types or limits of insurance required. All policies will name County as an additional insured.
    - 6.2.1. Commercial General Liability coverage. Policy will include bodily injury and property damage coverage with limits of \$1,000,000 Each Occurrence and \$2,000,000 General Aggregate.
    - 6.2.2. Auto Liability coverage of \$1 million for vehicles used on or in connection with World View's use of the Premises.
    - 6.2.3. As required by law, Workers' Compensation coverage.

6.3. Additional Insurance Requirements.

6.3.1. World View will provide County with current certificates of insurance annually. All certificates of insurance must provide for guaranteed thirty (30) days written notice to the County of cancellation or non-renewal.

6.3.2. World View's liability insurance must be primary insurance and non-contributory with respect to all other available sources.

6.4. Property Insurance. World View will obtain and keep in force during the entire Term a policy of insurance covering loss or damage to the Space Port in the amount of the full replacement value thereof, providing protection against all vandalism, malicious mischief, special extended perils (all risk) and will deliver to County a Certificate of Property insurance, with County named as additional insured. Said Certificate must be satisfactory to County. World View will provide a copy of World View's policy of property insurance to County annually.

6.5. Users' Insurance. World View will, before allowing any other individual or entity to utilize the Space Port, obtain proof that the user has in place liability coverage at least as broad as the policies listed above, which have been endorsed to name World View and County as additional insureds.

7. Default/Termination. Either party may present written notice of default or non-performance to the other party.

7.1. World View Default. The occurrence of any one or more of the following events constitutes a default and breach of this Operating Agreement by World View for which County may terminate this Operating Agreement (each an "Event of Default"):

7.1.1. Default of Lease Agreement. Any default beyond any applicable cure period of the Lease Agreement entered into contemporaneously with this Operating Agreement.

7.1.2. Insurance. The failure by World View to maintain insurance policies as set forth above for any period of time, in which event World View must immediately **cease** all operations at the Space Port until such insurance is obtained, provided that the failure to maintain insurance will not be a default and breach of this Operating Agreement so long as World View ceases all operations and thereafter procures such insurance within thirty (30) days of the termination or cancellation of the applicable policy. In the event of such a default, County may, in County's sole discretion, obtain necessary insurance coverage in which event World View will, within 5 days of demand, reimburse and pay to County the full amount of any costs and premiums expended by County to obtain such coverage.

7.1.3. Violation of Law. World View's material violation of any law applicable to the Space Port or World View's operation or occupancy thereof, or the conduct of any unlawful activities on the Space Port that are knowingly permitted by World View, either tacitly or explicitly, or that World View has not taken commercially reasonable means to prevent after World View becomes or in the exercise of reasonable diligence should have become aware that such activities are being

conducted, where such violation or conduct continues for more than thirty (30) days after written notice from County.

- 7.1.4. Other Covenants. The failure by World View to observe or perform any other covenant, condition or provision of this Operating Agreement to be observed or performed by World View, where such failure continues for a period of 30 days after written notice of the failure by County, provided, however, that if the nature of World View's default is such that more than 30 days are reasonably required for its cure, then World View will not be in default if World View commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.
- 7.2. County Default. Failure by County to comply with its obligations under this Operating Agreement, within 30 days after County's receipt of written notice from World View detailing the nature of the obligation, will constitute an Event of Default by County, except that if the nature of County's default is such that more than 30 days are reasonably required for its cure, then County will not be in default if County commences the cure within 30 days and thereafter diligently prosecutes the cure to completion.
- 7.3. Remedies.
  - 7.3.1. All Remedies Available. Except as expressly provided elsewhere in this Operating Agreement, either party may pursue any remedies provided by law or in equity following an Event of Default, including termination, injunction, specific performance and damages. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy.
  - 7.3.2. No Consequential Damages. Notwithstanding anything to the contrary in this Operating Agreement, neither County nor World View will be liable to the other for any consequential, special or indirect damages (in each case, regardless of whether such damages are foreseeable).
  - 7.3.3. Cure by County. If World View fails to perform in a timely manner any of its obligations under this Operating Agreement following any applicable notice and cure periods County may (but is not obligated to) perform those obligations and charge World View for the costs, together with interest at the statutory rate for interest on judgments, from the date the expense was incurred until it is paid by World View.
  - 7.3.4. Cure by World View. If County fails to perform in a timely manner any of its obligations under this Operating Agreement following any applicable notice and cure period, World View may (but is not obligated to) perform those obligations and offset rent coming due under the Lease Agreement by the reasonable out-of-pocket amount incurred by World View in undertaking such performance.
- 8. Notices. Except as otherwise specifically provided, all notices to be given under this Operating Agreement must be in writing and be either served personally or sent by certified or registered mail, return receipt requested, to the parties at the addresses indicated below

or to such other persons or addressees as either party may designate in writing to the other party:

If to County:

Pima County Administrator  
130 W. Congress, 10<sup>th</sup> Floor  
Tucson, AZ 85701

If to World View:

Chief Executive Officer  
World View Enterprises, Inc.  
1840 E. Valencia Rd., Bldg. 8, Ste. 123  
Tucson, AZ 85706

With a copy to:

Cooley LLP  
4401 Eastgate Mall  
San Diego, CA 92121  
Attn: Samantha M. LaPine

9. Assignment. Except as expressly provided below, World View does not have the right to assign its rights or obligations under this Operating Agreement, in whole or in part, without the prior written consent of the County. World View may only assign this Operating Agreement concurrently with an assignment of the Lease Agreement. County will not unreasonably withhold, condition, or delay its consent to a proposed assignment, but World View acknowledges that it is reasonable for County to do so if, in County's reasonable business judgment, the intended assignee has not demonstrated that it has the financial and operational capacity to match the actual (not merely the required) employment and salary levels likely to be achieved by World View under the Lease Agreement, and to perform all of World View's obligations under this Operating Agreement. No consent by County to an assignment will release World View from any of its obligations under this Operating Agreement. Notwithstanding the foregoing, World View may without County's prior consent, but upon not less than fifteen (15) days prior written notice to County, (1) to assign this Operating Agreement to any entity controlling, controlled by or having fifty percent (50%) or more common control with World View, or resulting from a merger or consolidation with World View or acquiring all of the assets and/or stock of World View; provided that any such entity assumes all obligations under this Operating Agreement.
10. Cancellation for Conflict of Interest. This Operating Agreement may be cancelled for conflict of interest pursuant to A.R.S. § 38-511, the provisions of which are incorporated in this Operating Agreement by this reference.
11. World View not an Agent of County. World View is not an agent of County for any purpose under this Operating Agreement or otherwise. World View will control activities on the Premises and on the Space Port, and County will not control those activities. World View's employees and servants are not under the control of County.
12. Non-Discrimination. World View will comply with applicable local, state and federal laws, rules and regulations concerning equal employment opportunity and non-discrimination; with the Americans with Disabilities Act, to the extent applicable to World View's operation and the Premises; and with all provisions and requirements of Arizona Executive Order 75-5, as amended by Executive Order 2009-09, which is incorporated into this Operating Agreement.

13. Non-Appropriation. County's performance of its obligations under this Operating Agreement may be dependent upon the appropriation of funds by the Board of Supervisors of the County, or the availability of funding from other sources. Should the Board fail to appropriate the necessary funds, or if funding becomes otherwise not legally available to the County prior to the Commencement Date for the purpose of fulfilling County's obligations under this Operating Agreement, County will be relieved of that obligation and World View may terminate this Operating Agreement.
14. Choice of Law. The laws of the State of Arizona apply to any action relating to this Operating Agreement and any court action must be brought in a court in Pima County, Arizona.
15. Non-Waiver. The failure of either party to insist in any one or more instances upon the full and complete performance of any term of this Operating Agreement to be performed by the other party, or to take any action permitted as a result of that failure, will not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same or any other covenant or condition either in the past or in the future. The acceptance by either party of sums less than may be due and owing to it at any time does not constitute an accord and satisfaction.
16. Entire Agreement. Except as otherwise provided, this Operating Agreement, together with its exhibits, and the Lease Agreement and its exhibits, constitutes the entire agreement between County and World View with respect to the Space Port.
17. Force Majeure. A party's nonperformance of an obligation under this Operating Agreement is excused for the time period, and to the extent, that the performance is prevented or delayed by strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, or any other cause beyond the reasonable control of that party, except World View's obligations to pay rent or other monetary sums due under the Lease Agreement (collectively, the "Force Majeure").
18. Amendment. This Operating Agreement may not be amended except by a written instrument duly executed by both parties.
19. Authorization. County and World View each warrant to the other that the individuals executing this Operating Agreement on behalf of that party are duly authorized to do so.


[Signatures Follow]

WORLD VIEW ENTERPRISES, INC.,  
a Delaware corporation

By:   
Jane Poynter, CEO


Date: 2/9/16

PIMA COUNTY, a political subdivision  
of the State of Arizona

By:   
Sharon Bronson  
Chair of the Board of Supervisors

Date: JAN 19 2016

ATTEST:

  
Robin Brigode  
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

  
C.H. Huckelberry, County Administrator

APPROVED AS TO FORM:

  
Regina L. Nassen, Deputy County Attorney

By:   
Jane Poynter, CEO

Date: 2/9/16

By: Sharon Bronson  
Sharon Bronson  
Chair of the Board of Supervisors

Date: JAN 19 2018

Robin Brigode  
Robin Brigode  
Clerk of the Board of Supervisors

C.H. Huckelberry, County Administrator

  
Regina L. Nassen, Deputy County Attorney



**POLARIS  
LAND  
SURVEYING, LLC**

3528 N. FLOWING WELLS RD  
TUCSON, ARIZONA 85705  
TEL: 520-322-6400  
FAX: 520-322-6401

**LEGAL DESCRIPTION – POLARIS JOB NO. 15271**

January 12, 2016

**EXHIBIT A - PARCEL 1:**

That portion of the Northeast quarter of Section 31, Township 15 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

Commencing at the Northeast corner of said Section 31, said corner being a 2-1/4 inch steel capped pipe in concrete marked "T15S, 30, 29, 31, 32, R14E", from which the East one-quarter corner of said Section 31 bears South 00°13'54" East, 2670.77 feet distant, said corner being a 1-1/2 inch aluminum cap marked "1/4, 31, 32";

Thence South 00°13'54" East 473.52 feet upon the East line of the Northeast quarter of said Section 31 to the **Point of Beginning**;

Thence continue South 00°13'54" East 1292.54 feet upon said East line;

Thence South 89°46'06" West 822.92 feet;

Thence North 00°13'54" West 474.84 feet to the Southeast right-of-way of South Access Road per Book 26 at Page 13 of Road Maps, Sequence No. 20140980052, Pima County Records;

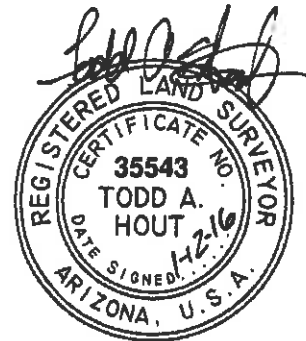
Thence North 47°26'07" East 1003.92 feet upon said Southeast right-of-way;

Thence North 42°33'53" West 50.00 feet upon said Southeast right-of-way;

Thence North 47°26'07" East 139.20 feet upon said Southeast right-of-way to a curve, turning to the left, concave to the Northwest with a radius of 431.00 feet;

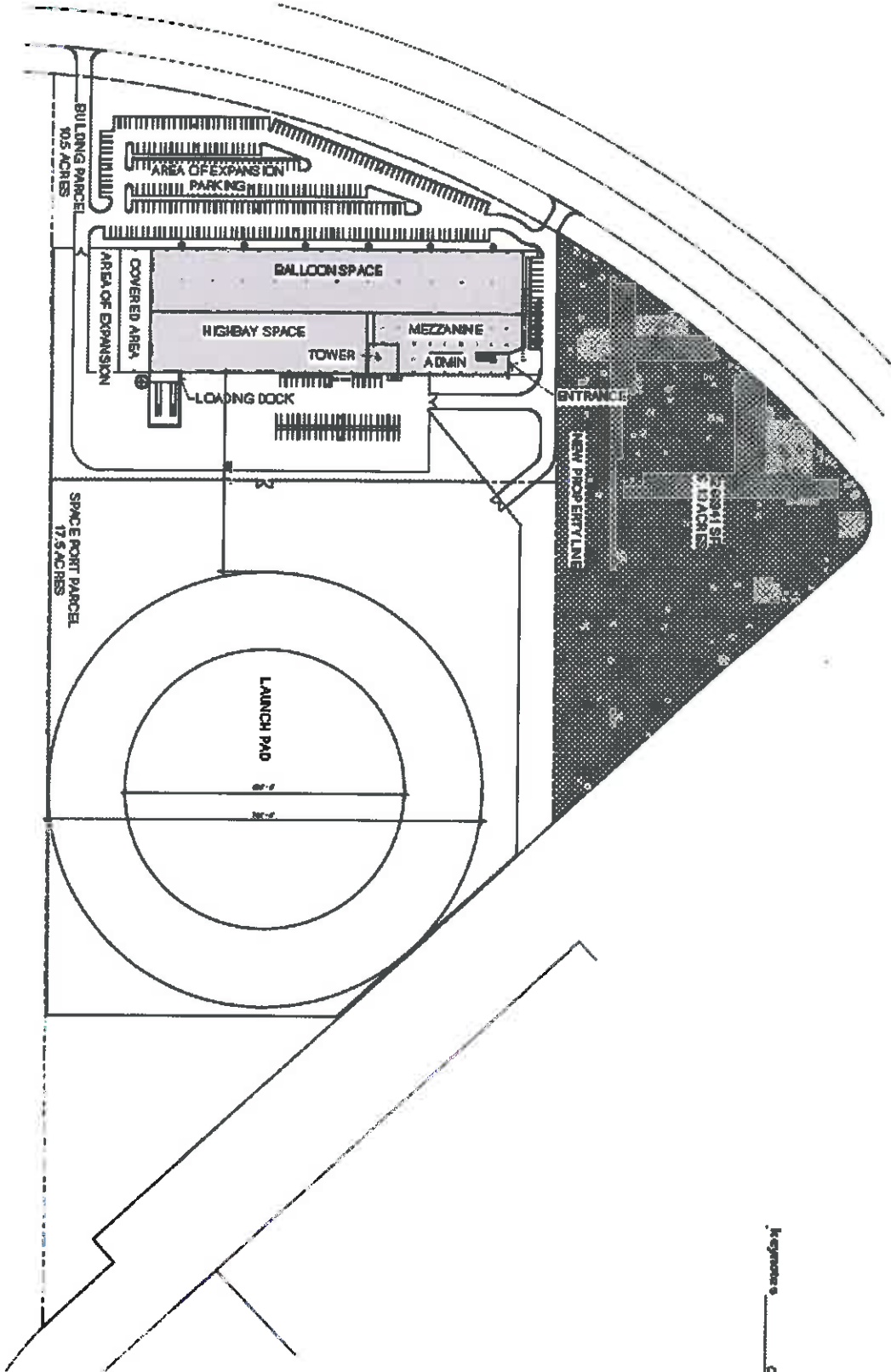
Thence Northeasterly upon said curve, upon said Southeast right-of-way, through a delta angle of 2°06'47" and an arc length of 15.90 feet to the **Point of Beginning**.

The area of said Parcel 1 contains 705,815.8 square feet or 16.20 acres, more or less.



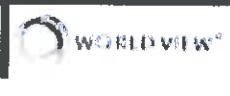
EXPIRES 12-31-18

EXHIBIT B  
Space Port Operating Agreement



0 100  
feet

0 100  
feet



site plan

x1.0